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SOVIET OBJECTIVES IN LATIN AMERICA

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The Soviet Government anticipates an inevitable conflict with the capitalist world. It therefore seeks to increase its relative power by building up its own strength and undermining that of its assumed antagonists. In Latin America, in particular, Soviet and Communist influence will be exerted to the utmost to destroy the influence of the United States and to create antagonisms disruptive to the Pan American system. **

CONSIDERATIONS INFLUENCING SOVIET OBJECTIVES.

The pattern of Soviet objectives in Latin America differs sharply from that in other areas because of the following four considerations, which are to a varying extent peculiar to this area:

a. Latin America as a whole lies within striking distance of US naval and air power, and could be shut off from the outside world by a US naval blockade. The Latin American Republics therefore cannot be of much use to the USSR, either as military allies or as sources of supply, in any future war.

b. The USSR has nothing to gain by integrating its economy with that of Latin America as long-term commercial exchange arrangements would oblige it to do. This is only in small part because Soviet and Latin American import requirements and export surpluses do not dovetail. The imaginative and resourceful Soviet state trading agency could, by careful manipulation of three-cornered trade, make them dovetail, especially since it could include in its calculations the import requirements and export surpluses of the satellite powers with their highly variegated economic resources. The USSR, however, must assume that large-scale Soviet trade arrangements involving Latin America's strategic materials would elicit an immediate and effective answer from the US. Moreover, the post-war USSR realizes that it is not in a

* This report has the concurrence of the intelligence agencies of the War and Navy Departments and of the Army Air Forces. A statement of dissent by the Department of State is contained in Enclosure "A" hereto.

** ORE 1, "Soviet Foreign and Military Policy."

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position to compete with the superior productive resources of the US in supplying Latin America's truly urgent import needs. Finally, the notion of economic dependency upon an area from which it would be cut off during a future war is unlikely to comment itself to the security-conscious USSR.

c. The post-war Hemisphere development that the USSR most fears is the negotiation of a Hemisphere Defense Pact that would tie together the armed forces of the 21 American Republics under the US-sponsored standardization program and mobilize Latin America's vast resources, human and material, in any future defensive war against the USSR. So long as differences between the US and Argentina delay the negotiation of such a pact, it is to the advantage of the USSR to press no objectives that might awaken in the Hemisphere the sense of urgency about a future war that the Soviets themselves already feel.

d. The climate of opinion in Latin America calls for propaganda appeals markedly different from those appropriate to the other areas of current interest to the USSR. Majority opinion in the other American Republics is not only Catholic and patriotic and thus inherently anti-Communist, but is also strongly pro-democratic and reformist. It looks in the direction of greater popular control over government, higher living standards for the masses of the people, and increased state intervention in economic processes --- within, however, a predominantly capitalist framework.

ANALYSIS OF SOVIET ACTIVITIES.

Analysis of Soviet activities in the Latin American area reveals a clear grasp of the implications of the above considerations with regard to a wise allocation of Soviet effort and resources, as follows:

a. Since for strategic reasons the Latin American Republics can be of scant use as allies or sources of supply in any future war, the emphasis of current Soviet activity in the area is upon measures calculated to undermine the strength of the assumed future antagonist, the US, rather than upon measures calculated to build up the military potential of the USSR itself. These measures are, without exception, of such character that they will continue to pay dividends after an enforced Soviet withdrawal from the area on the eve of any future war. Anything that makes for tension between the US and its future allies in Latin America, and thus tends to delay the negotiation of a Hemisphere Defense Pact, is pure windfall gain for Soviet policy, and as such is skillfully exploited. Thus the strategically situated Argentine Communist Party, which has no more determined enemy than the

present president of Argentina, has over a considerable period given qualified support to his regime, and enthusiastically approves his vigorous campaign for a South American trade bloc.

b. Since long-term trade relations with Latin America would involve economic dependency upon an area from which the USSR could be cut off during any future war, the Soviets have made no effective effort to offset the remarkably rapid expansion of US trade in the area since the war. Soviet trade representatives have made overtures to, for example, Argentina, Brazil, Uruguay, and Venezuela; but there is no evidence that these negotiations have led to results that will notably affect the flow of goods across international frontiers. The major occupation of Soviet trade missions in the other American Republics appears to be intelligence activities rather than trade negotiations. "Economic penetration", in the ordinary sense of this term, apparently is not a current Soviet objective in Latin America. Since Soviet-Latin American trade is capable of large-scale development, this must be regarded as a deliberate policy choice on the part of the USSR.

c. Since it is to the advantage of the USSR to press no objectives in Latin America that might awaken US opinion to a sense of urgency about a possible future war, the eight Soviet embassies and legations in Latin America conspicuously devote themselves to diplomacy and culture, avoiding every appearance of an organic relationship either with local Communist parties or with the Soviet's Latin-America-wide intelligence network. No negotiations are on record concerning the placement of Soviet military missions, and up to the present time the USSR has accredited only two military representatives in the entire area.

d. Recognizing the special characteristics of Latin American public opinion, the Communist strategists in the area have adopted a posture of apparent devotion to democratic institutions and the democratic freedoms; have seldom referred to the dictatorship of the proletariat and the dream of a Soviet America; and have followed a propaganda line that lays at the door of the US responsibility for Latin America's extremes of poverty, and conveys the impression that the USSR is a land of freedom and equality. On the strength of this propaganda line, the Communist movement in Latin America is winning members and sympathizers. These gains, however, are made possible primarily by widespread ignorance of and delusions concerning the economic and political character of the USSR and not, as some commentators suggest, by poverty as such. (There is no correlation between the incidence of poverty and the incidence of Communism in Latin America.) Moreover, because of the democratic appeals it employs, the propaganda cannot contribute directly to the Sovietization of the Latin American countries.

The pattern of Soviet activities in Latin America suggests, therefore, that Soviet planners have posed their problem to themselves in the following terms: What, in the time available to us in Latin America, can we do to undermine the military potential of the Western Hemisphere as a fighting unit? Where, without assuming direct responsibility, can we channel our resources and energies in such fashion that the activities we initiate will continue to weaken the US even when we are no longer present to supervise them? What existing diplomatic or political situations, favorable to our long-term purposes, can we exploit --- again without assuming direct responsibility?

SOVIET OBJECTIVES.

The USSR has found the answer to its problem in the following four objectives: (1) the development of strong local Communist parties, (2) the Communization of the leadership of the local trade unions, (3) the dissemination of carefully selected propaganda themes which, implanted in the hearts and minds of the Latin Americans themselves, tend to undermine US hegemony in the Hemisphere and make inter-American military cooperation difficult to achieve, and (4) the creation and maintenance of an intelligence network that will obtain for Soviet planners the data they require in order to forward these objectives with a maximum of skill and a minimum expenditure of effort.

All the available evidence indicates that the USSR can already point to advantageous developments with respect to each of these four objectives, as follows:

The local Communist parties. These are strongest in Cuba, in Brazil, and in Chile, but in none of these countries is there any likelihood of an early Communist bid for power. There are several countries, such as Bolivia, Guatemala, Honduras, and El Salvador, where there is at present no Communist party. However, most of the Latin American Republics, and all of the important ones, have alert and vigorous Communist parties which have an impact on day-to-day social and political events entirely out of proportion to their actual numbers.

Communist leadership in the trade unions. Here the main evidence of Soviet progress is the CTAL, or Confederation of Latin American Workers, which has as affiliates the bulk of the trade unions in the area. The top echelons of the Confederation and the leaders of most of the key member-unions are Communist-controlled, with the result that the Confederation's "line" is rarely distinguishable from that of the Communist parties. The head of the Confederation is Vicente Lombardo Toledano, who, despite his assertion that he is not a Communist, is regarded throughout the area as the Communists' spokesman in labor

affairs. He and his lieutenants have been able to dominate the movement because, like Communist labor leaders everywhere, they know what they want, give careful thought to how to get it, and are more diligent than their opponents. There is, moreover, little prospect of their being jockeyed out of their present commanding position, despite the fact that socialist-led labor factions in certain countries, resenting the Confederation's reputation for being Communist-dominated, are now opposing them. Naturally, the unions that extract, process, and transport materials the US would need from Latin America in any future war are major targets for Communist penetration.

Propaganda themes. By press and radio propaganda through most of the area, the Communists skillfully drive home their major themes: "The USSR is right, the US wrong", whenever there is a clash between them. "The Hemisphere Defense Pact is part of a US plan to fight to the last Latin American in an aggressive imperialist war against the Soviet Union." "The Hemisphere Defense Pact is inconsistent with the United Nations, which is in turn Latin America's only defense against an indefinite future of oppression and exploitation by the United States." "The Good Neighbor Policy died with President Roosevelt." In short, the Communist press and radio in Latin America miss no opportunity to inculcate resentment and distrust of the United States and the Hemisphere Defense Pact, postponement of which the local Communists treat as the Soviet Union's major goal in the area. The resultant distrust and resentment of the United States would remain and be exploited long after the negotiation and signature of the Pact itself.

Intelligence activities. That the Soviet Union today has a Latin-America-wide intelligence network, so related to the local Communist organizations as to enable it to keep the Latin American scene under continuous observation, is attested not only by the weight of the evidence in the possession of US intelligence agencies, but also by the fact that Soviet activities in Latin America are clearly based upon thorough knowledge and deep understanding of the main political and economic trends.

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ENCLOSURE 'A'

DISSENT BY THE INTELLIGENCE ORGANIZATION
OF THE DEPARTMENT OF STATE

The Intelligence Organization of the Department of State dissents from the foregoing CIG estimate as indicated by the paragraphs below. It is considered that in certain respects the estimate is misleading:

- a. It suggests in general a greater immediate Soviet danger in the other American Republics than the evidence so far demonstrates.
- b. It fails to note that the Hemisphere Defense Pact, the proposed United States bill authorizing military collaboration with the other American states, and a proposal of the Inter-American Defense Board for a permanent Inter-American Military Council are separate projects and could conceivably be accomplished independently. Communist attacks are directed primarily against the proposed United States bill.
- c. It suggests the absence of any significant factors other than the differences between the U.S. and Argentina which may delay or conceivably prevent the negotiation of hemisphere defense measures.
- d. In discussing causes for gains in the Communist movement, the emphasis upon propaganda and "ignorance" conceals the importance of local conditions arising from such factors as economic distress, social maladjustments, and frustrated nationalism.

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